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Security Council

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Letter dated 23 January 2008 from the Secretary-General to the President of the Security Council

I have the honour to refer to my letter dated 7 December 2007 (S/2007/725) to which was attached a note wherein I outlined the progress made with respect to the termination of operations of the United Nations Iraq Account under Security Council resolution 1483 (2003).

In that note, I informed the Council that the Government of Iraq and the Secretariat had agreed to set up a working group to minimize the number of unpaid letters of credit. In this respect, I should like to inform the Council that a meeting of the Working Group was held from 7 to 17 January 2008 in Amman. The Working Group was composed of representatives of the Ministry of Foreign Affairs of Iraq, the Central Bank of Iraq and the United Nations Secretariat.

The Working Group met with the concerned ministries of the Government of Iraq to address and resolve issues arising from the claims of suppliers that were enumerated in my note. In this respect, I transmit herewith the full report of the Working Group outlining the progress made with respect to the issues involved (see annex).

In addition, I indicated in my note my intention to transfer approximately $161 million of unencumbered funds to the Development Fund for Iraq. That amount was subsequently transferred to the Development Fund for Iraq, on 27 December 2007. It is my intention to continue to transfer unencumbered funds to the Development Fund for Iraq consistent with Security Council resolution of 1483 (2003) as the process of termination of the programme continues. At the same time, the reserve of $187 million and the balance of $225 million referred to in paragraph 1 of my note would be retained until all remaining issues have been resolved.

The Security Council may wish to take into account the foregoing information when addressing the proposals referred to in paragraph 67 of the note contained in document S/2007/725. Particular attention may be paid to the recommendation in paragraph 67 (f) of the note regarding the establishment of a mechanism to handle any issues that remain unresolved after the completion of the work of the Working Group. In this regard the Council may wish to note that the Working Group expects to meet again in mid-March to review progress achieved in the interim. The Council will be informed of the outcome of the meeting.

(*Signed*) **Ban Ki-moon**

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Annex

Meeting of the Working Group regarding the termination of operations relating to letters of credit under the oil-for-food programme

Amman, 7-17 January 2008

1. The Secretary-General has kept the Security Council apprised of operations related to letters of credit opened under the oil-for-food programme, including concerns raised by suppliers. In various letters to the Security Council, the Secretary-General advised that:

(a) The responsible authorities in Iraq be urged to process authentication documents promptly so that payments could be made according to the terms and conditions of the letter of credit;

(b) The processing of authentication documents not be delayed on account of commercial disputes, which should instead be handled in accordance with commercial dispute resolution practices. The Secretary-General also noted that while the normal practice was to close a letter of credit 90 days after its expiry, the difficulties encountered in the processing of authentication documents required that funding be retained in the United Nations Iraq Account for expired letters of credit. To provide for the termination of the oil-for-food programme in an orderly manner, it was proposed in a meeting held in November 2007 of the representatives of the Government of Iraq and the Secretariat that a working group be set up, composed of members of the Secretariat, the Central Bank of Iraq and the relevant ministries of the Government of Iraq, in order to minimize the number of unpaid letters of credit as at 31 December 2007 for which claims of delivery had been made. On 7 December 2007 the Secretary-General transmitted to the President of the Security Council a note (S/2007/725), which is under consideration by the Council, outlining the proposals to address unresolved issues, including the establishment of mechanisms to deal with such issues.

2. Against this background, a meeting was held from 7 to 17 January 2008 in Amman of the Working Group, which was composed of representatives of the Ministry of Foreign Affairs of Iraq, the Central Bank of Iraq and the United Nations Secretariat in order to minimize the number of letters of credit unpaid as at 31 December 2007 for which there were known claims of delivery. The Working Group met with the concerned ministries of the Government of Iraq to address and resolve issues arising from 179 outstanding letters of credit that were enumerated in the note by the Secretary-General. The Working Group reviewed all outstanding claims of delivery so that the concerned ministries could confirm the delivery and issue and transmit the necessary documents as soon as possible following the session of the Working Group.

Status of the programme and developments since the November 2007 meeting

3. The Working Group was briefed on the current status of processing of active letters of credit as at 31 December 2007. It was noted that the number of letters of credit had decreased from 215 at the end of November to 210 at the end of December. However, it was also noted that the unpaid letters of credit that were pending with BNP Paribas had not been significantly reduced.

Table 1
Status of letters of credit as at 31 December 2007, by expiry period

	Outstanding letters of credit		*Claims of delivery*	
Expiration period	*Number*	*Value*[a]	*Number*	*Value*[a]
2004	42	53 982 125.30	38	42 564 611.84
2005	10	4 471 712.41	8	1 768 665.51
2006	81	202 940 716.35	70	48 856 568.37
2007	77	394 859 812.09	48	82 180 854.15
Total	**210**	**656 254 366.16**	**164**	**175 370 699.87**

[a] United States dollar equivalent.

Table 2
Status of letters of credit as at 31 December 2007, by sector

	Outstanding letters of credit		*Claims of delivery*	
Sector	*Number*	*Value*[a]	*Number*	*Value*[a]
Agriculture	31	104 715 908.86	26	35 881 874.78
Communication/transportation	14	23 269 718.73	9	11 048 267.27
Education	6	58 286 036.43	2	9 868 600.00
Electricity	16	80 701 060.56	12	10 341 669.60
Food	6	23 610 345.57	5	16 608 887.65
Food-handling	18	19 247 977.90	17	10 702 080.49
Health	7	10 701 661.71	5	1 281 104.93
Housing	31	126 380 397.99	29	41 768 434.05
Industry	1	479 336.88	1	479 336.88
Oil spares	61	135 272 909.67	44	21 907 062.22
Water and sanitation	19	73 589 011.87	14	15 483 382.00
Total	**210**	**656 254 366.16**	**164**	**175 370 699.87**

[a] United States dollar equivalent.

4. As a result of the comprehensive and intensive review of each letter of credit outstanding as at the effective termination date of 31 December 2007, the Working Group was able to agree on the categorization of all 210 outstanding letters of credit summarized in table 2 (see table 3).

Table 3
Status of letters of credit, by category

	Category[a]	*Outstanding letters of credit*	
		Number	*Value*[b]
1	Confirmations of arrival in Iraq in process (partial or full)[c]	114	384 982 410.96
2	Commercial disputes to be resolved and confirmations of arrival to be provided before 31 March 2008[d]	4	4 104 464.39
3	Commercial disputes that may not be resolved by 31 March 2008[e]	14	49 287 546.45
4	Letters of credit targeted for cancellation[f]	57	183 678 039.24
5	Paid or to be paid in 2008[g]	21	34 201 905.11
	Total	**210**	**656 254 366.16**

[a] See also table 4.

[b] United States dollar equivalent.

[c] The buyers in Iraq (concerned ministries) are in the process of preparing confirmations of the arrival of the goods in Iraq (see annex I).

[d] Concerned ministries have indicated that there are commercial disputes with the sellers of goods concerning quality and/or shortages and that the buyer and seller are negotiating to resolve those issues; the buyers in Iraq believe that the disputes will be resolved under normal commercial practices before 31 March 2008 and the confirmations of arrival will be forthcoming before that date (see annex II).

[e] Concerned ministries have commercial disputes with the sellers of goods concerning quality and/or shortages and the buyers believe that such disputes will not be resolved under normal commercial practices before 31 March 2008 and the confirmations of arrival will not be forthcoming before that date (see annex III).

[f] Concerned ministries have indicated that certain letters of credit should be cancelled (see annex IV), as the suppliers will not ship their goods due to:

(i) Insufficient time to prepare and ship the goods;
(ii) Unwillingness to ship the additional goods;
(iii) Inability to provide the services required to install and train personnel;
(iv) Belief of buyers that sellers have shipped in full or in part.

[g] Letters of credit that were paid subsequent to 30 November 2007, including the 17 referred to in the note by the Secretary-General and the 8 November letters of the President of the Security Council to the Secretary-General (S/2007/661) and the one to the Permanent Representative of Iraq to the United Nations. The Working Group discussed those 17 letters of credit in greater detail and was briefed on the Security Council's request to the Secretariat to issue all necessary documentation to BNP Paribas for early settlement of the related payments associated with them. The Working Group also noted that the Secretary-General, in his note to the President of the Security Council, had indicated that the Secretariat had issued all the necessary documentation to BNP Paribas for the settlement of the 17 letters of credit referred to in the letter dated 25 July 2007 from the Secretary-General to the President of the Security Council (S/2007/476).

Table 4
Analysis of letters of credit as at 15 January 2008, by sector

Category	*Total*		*1*		*2*		*3*		*4*		*5*	
Sector	*No.*	*Value*[a,b]	*No.*	*Value*[a]	*No.*	*Value*[a]	*No.*	*Value*[a]	*No.*	*Value*[a]	*No.*	*Value*[a]
Agriculture	31	104 715 908.86	21	96 984 145.91	0		0		4	3 693 786.27	6	4 037 976.68
Communication/ transportation	14	23 269 718.73	3	7 632 097.24	1	2 344 188.00	3	2 000 962.10	6	10 865 042.76	1	427 428.62
Education	6	58 286 036.43	1	8 505 000.00	0		0		3	47 469 397.70	2	2 311 638.73
Electricity	16	80 701 060.56	11	45 083 910.79	0		1	21 011 476.00	4	14 605 673.77	0	
Food	6	23 610 345.57	1	3 765 663.09	0		0		3	7 172 851.50	2	12 671 830.98
Food-handling	18	19 247 977.90	10	15 448 265.73	1	262 577.26	3	2 028 940.34	2	1 185 439.83	2	322 754.75
Health	7	10 701 661.71	3	7 891 985.26	0		0		4	2 809 676.44	0	
Housing	31	126 380 397.99	16	71 904 218.86	2	1 497 699.13	5	8 439 745.54	2	30 869 093.57	6	13 669 640.89
Industry	1	479 336.88	1	479 336.88	0		0		0		0	
Oil spares	61	135 272 909.67	35	95 118 014.00	0		1	887 880.20	24	38 860 029.72	1	406 985.74
Water and sanitation	19	73 589 011.87	12	32 169 773.19	0		1	14 918 542.27	5	26 147 047.68	1	353 648.72
Total	**210**	**656 254 366.16**	**114**	**384 982 410.96**	**4**	**4 104 464.39**	**14**	**49 287 546.45**	**57**	**183 678 039.24**	**21**	**34 201 905.11**

Categories:
1. Confirmation of arrival in Iraq (COA) in process (partial or full).
2. Commercial disputes to be resolved and COA to be provided before 31 March 2008.
3. Commercial disputes which may not be resolved by 31 March 2008.
4. Letters of credit targeted for cancellation.
5. Paid to be paid in 2008.

[a] United States dollar equivalent.
[b] As at 31 December 2007.

Confirmation of arrival of goods in Iraq

5. As a result of its activities and discussions, the Working Group recognized the following:

(a) Despite the continued calls from the Security Council and the Secretariat, the issuance of confirmations of arrival has been slow and at times not forthcoming;

(b) Under the existing procedures pursuant to Security Council resolutions 986 (1995) and 1546 (2004), payments cannot (absent an express exception by the Security Council) be made to suppliers who deliver goods and services to Iraq without the issuance of confirmations of arrival by the Central Bank of Iraq, which is the institution designated by the Government of Iraq to issue them;

(c) The Central Bank of Iraq was unable to issue the confirmations of arrival to the Secretariat as a result of the buyers' failure to provide a written confirmation of the arrival of goods from the respective warehouses of the buyers or the respective ministries of the Government of Iraq.

Agreement reached on the confirmation of arrival of goods in Iraq

6. The concerned ministries that participated in the activities of the Working Group have agreed to the following:

(a) On the claims that have been outstanding between 2004 and 2007, the confirmations of arrival would be delivered by the buyers in Iraq on an immediate and urgent basis to the Central Bank of Iraq, which in turn would be delivered to the Secretariat so that they can be paid without further delay;

(b) On the claims that are outstanding and on which there are commercial disputes between the buyer and the seller, the negotiations will conclude and the confirmations of arrival will be delivered to the Central Bank of Iraq, which in turn will be delivered to the Secretariat before 31 March 2008.

Commercial disputes between buyer and seller

7. On the claims from the buyers against the sellers of goods for shipments that have already been paid, the ministries that participated in this Working Group agreed that such commercial disputes would be settled outside the oil-for-food programme and should be pursued in accordance with the normal commercial procedures, namely, replacement of goods that do not meet the specifications, making additional shipments in the case of shortages, refunding payments made, returning the goods to the seller or instructing the seller to pick up the goods. The Secretariat will assist in providing any required information and documentation on these issues. However, it cannot be involved in settling the commercial disputes of buyers and sellers.

Letters of credit to be cancelled and release of "cash collateral" from the United Nations Iraq Account

8. To maximize the number of letters of credit cancelled by 31 March 2008, it was agreed that there were currently 57 letters of credit (see annex IV) with an approximate value of $184 million that are targeted for cancellation. Among them are 25 letters of credit with an approximate value of $166 million that have no

documents pending with the Bank. They would be cancelled immediately after verification by the Secretariat that they had no claims of delivery.

9. The Secretariat agreed to review the 32 letters of credit with an approximate value $17 million for which there are documents pending with the Bank to determine whether they could be cancelled and whether the associated cash collateral could be released from the collateral portion to the non-collateral portion of the United Nations Iraq Account.

10. Once this review has been completed by the Secretariat, the funds related to the 57 letters of credit will in principle be available for transfer to the Development Fund for Iraq in accordance with Security Council resolution 1483 (2003).

Claims against letters of credit that have been cancelled

11. The Working Group recognized that in certain situations, claims of delivery were communicated or discovered after the letters of credit had been cancelled. The Working Group agreed that they would be reviewed on a case-by-case basis for final resolution of the claim as long as the shipment was valid in the context of the related letter of credit.

Transfer of funds to the Development Fund for Iraq

12. In relation to the issue of the transfer of funds to the Development Fund for Iraq and the establishment of the claims settlement mechanism, the Government of Iraq has again expressed its reservations with respect to the establishment of a claims settlement mechanism. The Central Bank of Iraq proposed setting up a sub-account of the Fund where the funds for cancelled letters of credit could be transferred and that could be used for the settlement of claims from sellers of goods and services under the programme, as well as any shipment made after 31 December 2007. The Secretariat indicated that it lacked authority to agree to such an arrangement, which would require the express approval of the Security Council.

Steps agreed upon

13. The Working Group agreed that for any shipment made after 31 December 2007, the suppliers would be informed that the commercial channels would be readily available for those companies previously involved in the programme and wishing to do business or complete their shipments with Iraq.

14. On those claims for which there are no commercial disputes, the concerned ministries will confirm delivery and issue and transmit the necessary confirmations of arrival to the Central Bank of Iraq as soon as possible following the session of the Working Group.

15. On those claims for which there are commercial disputes, the concerned ministries agreed to resolve the commercial issues with the seller and confirm delivery, and accordingly the Central Bank of Iraq would issue and transmit the necessary confirmation of arrival by 31 March 2008.

16. On those claims for which there are commercial disputes that cannot be resolved by 31 March, the funds will be retained in the United Nations Iraq Account until the issues have been resolved under the streamlined claims settlement mechanism to bring the programme to an orderly and timely close.

17. For those claims that the concerned ministries have against suppliers who have been paid in accordance with the terms and conditions of the letter of credit, the ministries agreed to pursue such issues under normal commercial practices outside the programme. The Secretariat is ready to assist in this endeavour.

18. The Working Group agreed that if the concerned ministries do not provide the necessary confirmation for the delivered goods that are related to the letters of credit for which the confirmations are in process by 31 March 2008, any residual letters of credit will be part of the unresolved issues arising from the termination of the oil-for-food programme, and that would fall under the streamlined claims settlement mechanism proposed by the Secretary-General (S/2007/725), which is currently under consideration by the Security Council.

19. If the confirmation of arrival of goods for the 114 letters of credit with an approximate value of $385 million (see annex I) is not received by 31 March 2008, those funds will be retained in the United Nations Iraq Account until the issues have been resolved by the streamlined mechanism. Therefore, the Working Group agreed that it would be in the best interest of the concerned ministries to resolve outstanding claims before 31 March.

20. With respect to the planned cancellations (see table 3), the Working Group agreed that it would be necessary to follow up with BNP Paribas on an expedited basis for the cancellation of the letters of credit listed in annex IV by March 2008.

21. The Working Group agreed to meet in mid-March 2008 to further review the progress made.

For the United Nations
(*Signed*) Warren **Sach**
17 January 2008

For the Government of Iraq
(*Signed*) Srood **Najib**
17 January 2008

For the Working Group (United Nations)
(*Signed*) Teklay **Afeworki**
17 January 2008

For the Working Group (Central Bank of Iraq)
(*Signed*) Haseeb Kadhm **Iwaid**
17 January 2008

Annex I

Confirmation of arrival in Iraq (COA) in process (partial or full)

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Agriculture	702154	U725738	474 818.36	0.00	474 818.36
Agriculture	1100581	V734761	40 169 504.37	0.00	40 169 504.37
Electricity	601808	Z725517	1 210 560.00	0.00	1 210 560.00
Electricity	1200853	P738659	4 271 390.29	0.00	4 271 390.29
Oil Spares	631099	Z737736	185 051.33	0.00	185 051.33
Oil Spares	830875	C734978	135 287.57	0.00	135 287.57
Oil Spares	930181	L729782	44 436 654.59	0.00	44 436 654.59
Oil Spares	930599	L733054	702 937.65	0.00	702 937.65
Oil Spares	1030296	T734029	287 502.51	0.00	287 502.51
Oil Spares	1230176	P751169	2 242 858.60	0.00	2 242 858.60
Oil Spares	1230497	P739154	337 438.21	0.00	337 438.21
Subtotal (no documents pending)		**12 LCs**	**94 454 003.47**	**0.00**	**94 454 003.47**
Agriculture	601333	Z718896	5 701 045.67	719 593.26	4 981 452.41
Agriculture	601799	Z719838	11 574 066.24	9 506 200.00	2 067 866.24
Agriculture	702423	U726920	3 348 925.93	3 296 299.71	52 626.22
Agriculture	800329	C729396	4 024 814.04	4 024 814.04	0.00
Agriculture	800783	C727202	3 076 225.82	3 076 225.82	0.00
Agriculture	801639	M751744	285 714.29	179 696.79	106 017.49
Agriculture	801777	M728103	646 870.93	646 168.89	702.04
Agriculture	1002233	T751386	7 018 010.04	786 619.87	6 231 390.17
Agriculture	1002236	T751710	1 180 449.20	43 731.78	1 136 717.42
Agriculture	1100304	V736362	1 296 473.47	1 296 463.56	9.91
Agriculture	1100926	V736033	5 099 208.95	1 947 856.94	3 151 352.01
Agriculture	1101106	V751800	1 730 908.94	1 730 908.94	0.00
Agriculture	1101473	V736780	566 997.98	566 997.98	0.00
Agriculture	1200447	P750982	903 127.61	191 898.99	711 228.62
Agriculture	1200564	P750157	1 950 950.57	1 950 950.57	0.00
Agriculture	1200933	P739022	3 820 863.86	175 458.59	3 645 405.28
Agriculture	1201414	P750944	3 811 513.19	2 452 513.10	1 359 000.09
Agriculture	1300126	B750927	177 197.26	177 197.23	0.03
Agriculture	1300396	B751597	126 459.18	71 064.14	55 395.04
Communication/Transportation	901366	L731772	143 260.13	143 252.76	7.38
Communication/Transportation	1201424	P750468	141 898.34	140 889.75	1 008.59
Communication/Transportation	1201532	P750004	7 346 938.78	7 346 938.78	0.00
Education	702153	U735282	8 505 000.00	8 505 000.00	0.00
Electricity	601654	Z725037	19 918 584.19	23 970.50	19 894 613.69

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Electricity	601701	Z722153	336 027.70	336 027.70	0.00
Electricity	700663	U724186	1 552 678.00	307 308.00	1 245 370.00
Electricity	801479	C733847	11 674 357.94	66 043.89	11 608 314.05
Electricity	900778	L737115	800 477.51	800 477.51	0.00
Electricity	900778	L737360	1 732 061.22	843 368.51	888 692.71
Electricity	901749	L732684	2 474 113.39	37 565.79	2 436 547.60
Electricity	1001243	T733865	5 868.56	5 577.00	291.56
Electricity	1200840	P738507	1 107 792.00	109 542.00	998 250.00
Food	1300594	B751625	3 765 663.09	3 757 649.85	8 013.24
Food Handling	801598	C726086	4 364 362.97	957 256.06	3 407 106.91
Food Handling	902034	L735561	197 128.16	197 128.13	0.03
Food Handling	1000226	T731031	1 670 672.42	22 871.89	1 647 800.54
Food Handling	1001275	T739181	121 955.79	77 483.88	44 471.91
Food Handling	1100102	V734534	729 617.68	729 616.62	1.06
Food Handling	1101147	V735680	746 792.94	736 243.15	10 549.80
Food Handling	1101710	V737379	4 816 130.32	4 062 719.40	753 410.92
Food Handling	1200291	P737772	356 506.17	324 349.71	32 156.46
Food Handling	1300164	B750291	1 385 433.67	1 385 433.67	0.00
Food Handling	1300213	B750302	1 059 665.60	1 059 665.60	0.00
Health	801130	M728881	971 256.14	971 256.06	0.07
Health	1000752	T739588	6 431 402.30	228 825.48	6 202 576.82
Health	1100539	V737691	489 326.82	55 311.95	434 014.87
Housing	801344	C726197	2 403 846.41	2 403 839.65	6.76
Housing	802954	C738447	1 630 351.82	1 080 288.97	550 062.86
Housing	900034	L727655	3 843 811.36	3 843 801.18	10.17
Housing	900209	L729055	15 401 525.87	3 346 213.79	12 055 312.08
Housing	900991	L751810	118 060.61	118 060.61	0.00
Housing	901788	L731638	71 084.13	71 084.13	0.00
Housing	1000426	T732124	3 052 687.68	284 992.52	2 767 695.16
Housing	1000445	T733494	6 898 130.61	6 737 200.57	160 930.04
Housing	1000446	T734532	1 282 036.14	771 385.09	510 651.05
Housing	1000454	T731373	392 627.61	370 281.92	22 345.69
Housing	1001474	T751716	16 403 616.12	467 042.27	15 936 573.85
Housing	1001517	T751770	17 836 734.69	5 982 915.45	11 853 819.24
Housing	1100087	V735834	1 885 803.95	34 510.79	1 851 293.16
Housing	1100129	V736053	237 721.73	74 236.40	163 485.34
Housing	1100408	V736165	51 487.55	51 487.24	0.31
Housing	1300215	B750425	394 692.57	394 692.55	0.01
Industry	1200555	P751720	479 336.88	479 336.88	0.00

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Oil Spares	630631	Z737711	196 400.00	196 400.00	0.00
Oil Spares	630860	Z731736	30 336.02	12 213.30	18 122.72
Oil Spares	631026	Z751762	682 727.27	37 272.72	645 454.55
Oil Spares	631028	Z751761	672 727.00	672 727.00	0.00
Oil Spares	631031	Z751763	2 174 545.00	2 174 545.00	0.00
Oil Spares	631048	Z728693	420 000.00	385 000.00	35 000.00
Oil Spares	730971	U737440	709 600.29	660 782.38	48 817.92
Oil Spares	731024	U737646	2 541 353.94	2 209 528.86	331 825.07
Oil Spares	731032	U737779	4 516 134.37	4 516 134.37	0.00
Oil Spares	830558	M734207	79 002.17	79 002.17	0.00
Oil Spares	830639	M734860	23 338.19	23 338.19	0.00
Oil Spares	1030389	T735614	136 734.68	136 734.68	0.00
Oil Spares	1030451	T735631	61 361.03	61 361.03	0.00
Oil Spares	1030463	T734293	2 396 180.76	297 405.25	2 098 775.51
Oil Spares	1030464	T751365	1 121 117.93	828 630.39	292 487.54
Oil Spares	1030568	T735765	14 577.26	14 577.26	0.00
Oil Spares	1030622	T751572	98 879.02	50 823.67	48 055.35
Oil Spares	1030728	T735299	27 073 063.64	4 081 853.19	22 991 210.45
Oil Spares	1230025	P751776	2 363 636.36	2 363 636.36	0.00
Oil Spares	1230094	P739017	101 046.53	52 155.56	48 890.98
Oil Spares	1230127	P751526	489 375.45	41 165.35	448 210.10
Oil Spares	1230159	P738616	46,685.79	46 685.79	0.00
Oil Spares	1230318	P750352	88 700.82	83 481.84	5 218.98
Oil Spares	1230347	P738858	88 296.46	88 296.46	0.00
Oil Spares	1230495	P750674	266 170.55	266 170.55	0.00
Oil Spares	1230584	P751290	61 734.69	61 734.69	0.00
Oil Spares	1230588	P750096	274 316.33	274 316.33	0.00
Oil Spares	1230606	P751359	62 241.98	62 241.98	0.00
Water & Sanitation	700712	U732313	275 125.00	82 200.00	192 925.00
Water & Sanitation	702674	U751752	401 871.84	401 871.84	0.00
Water & Sanitation	802571	M750987	4 030 327.99	4 030 327.99	0.00
Water & Sanitation	802719	C750829	3 055 615.16	3 055 615.16	0.00
Water & Sanitation	901987	L734729	874 635.57	874 635.57	0.00
Water & Sanitation	902053	L736336	10 781 592.13	337 888.09	10 443 704.04
Water & Sanitation	902090	L738698	479 200.00	121 500.00	357 700.00
Water & Sanitation	1000840	T734819	105 250.47	105 250.47	0.00
Water & Sanitation	1001204	T751571	10 179 867.35	4 744 966.47	5 434 900.87
Water & Sanitation	1001466	T736516	1 456 559.77	1 138 204.20	318 355.57
Water & Sanitation	1100301	V737613	190 475.74	190 475.74	0.00

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Water & Sanitation	1200370	P738022	339 252.19	339 252.19	0.00
Subtotal (with documents pending)		**102 LCs**	**290 528 407.49**	**127 784 205.94**	**162 744 201.55**
Total		**114 LCs**	**384 982 410.96**	**127 784 205.94**	**257 198 205.02**

Annex II

Commercial disputes to be resolved and COA to be provided before 31 March 2008

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Housing	801103	C725591	1 144 532.58	52 501.60	1 092 030.98
Food Handling	901341	L737106	262 577.26	262 577.26	0.00
Housing	802968	C737867	353 166.55	353 166.55	0.00
Communication/Transportation	801061	C727374	2 344 188.00	2 290 543.59	53 644.42
Total		4 LCs	4 104 464.39	2 958 788.99	1 145 675.39

Annex III

Commercial disputes which may not be resolved by 31 March 2008

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Housing	601979	Z726060	2 131 883.91	0.00	2 131 883.91
Water & Sanitation	1300131	B750306	14 918 542.27	0.00	14 918 542.27
Subtotal (no documents pending)		2 LCs	17 050 426.18	0.00	17 050 426.18
Communication/Transportation	1100335	V734553	109 362.97	109 362.97	0.00
Communication/Transportation	1201429	P750492	62 153.06	62 153.06	0.00
Communication/Transportation	1300033	B750473	1 829 446.06	697 588.12	1 131 857.94
Electricity	702374	U760000	21 011 476.00	7 468 890.00	13 542 586.00
Food Handling	1000288	T731067	145 772.59	145 772.59	0.00
Food Handling	1200994	P751686	1 804 508.78	261 085.63	1 543 423.15
Food Handling	1201398	P750262	78 658.97	78 658.89	0.07
Housing	802969	M737883	23 632.06	23 501.24	130.82
Housing	1100020	V735808	4 530 839.88	42 306.68	4 488 533.21
Housing	1100139	V734535	1 693 347.57	1 686 873.32	6 474.24
Housing	1100149	V734536	60 042.13	42 446.14	17 595.99
Oil Spares	930074	L730874	887 880.20	230 323.70	657 556.50
Subtotal (with documents pending)		**12 LCs**	**32 237 120.27**	**10 848 962.35**	**21 388 157.92**
Total		**14 LCs**	**49 287 546.45**	**10 848 962.35**	**38 438 584.10**

Annex IV

Letters of credit targeted for cancellation

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Agriculture	802673	C729573	22 000.00	0.00	22 000.00
Communication/Transportation	1101138	V735694	4 623 906.71	0.00	4 623 906.71
Communication/Transportation	1101214	V735708	2 507 288.63	0.00	2 507 288.63
Communication/Transportation	1200057	P736624	3 362 012.99	0.00	3 362 012.99
Education	900655	L737547	37 861 828.41	0.00	37 861 828.41
Education	1101025	V737519	2 673.00	0.00	2 673.00
Education	1300021	B739304	9 604 896.28	0.00	9 604 896.28
Electricity	1101995	V738920	2 177 705.34	0.00	2 177 705.34
Electricity	1200844	P738601	12 075 791.84	0.00	12 075 791.84
Food	1200623	P751734	6 702 610.66	0.00	6 702 610.66
Health	701121	U723215	175 000.00	0.00	175 000.00
Health	1200070	P750366	2 608 965.01	0.00	2 608 965.01
Housing	1000600	T732494	30 755 367.08	0.00	30 755 367.08
Oil Spares	278	K712779	511 809.06	0.00	511 809.06
Oil Spares	630745	Z720101	171 052.73	0.00	171 052.73
Oil Spares	631157	Z751164	3 618 075.80	0.00	3 618 075.80
Oil Spares	730770	U731683	19 614 089.82	0.00	19 614 089.82
Oil Spares	830267	M727734	89 806.65	0.00	89 806.65
Oil Spares	830330	C729335	361 871.08	0.00	361 871.08
Oil Spares	1030526	T751291	978 221.57	0.00	978 221.57
Oil Spares	1230009	P751781	2 011 952.19	0.00	2 011 952.19
Oil Spares	1230582	P751730	1 793 357.14	0.00	1 793 357.14
Water & Sanitation	801214	C725898	7 951.43	0.00	7 951.43
Water & Sanitation	901066	L751671	25 000 000.00	0.00	25 000 000.00
Water & Sanitation	1002009	T738894	4 453.35	0.00	4 453.35
Subtotal (no documents pending)		**25 LCs**	**166 642 686.78**	**0.00**	**166 642 686.78**
Agriculture	802974	M738082	10 011.60	10 011.60	0.00
Agriculture	1201412	P751161	3 644 813.66	0.00	3 644 813.66
Agriculture	1201433	P751682	16 961.01	11 762.19	5 198.82
Communication/Transportation	600833	Z729302	110 069.00	0.00	110 069.00
Communication/Transportation	1100075	V734155	42 234.55	42 234.55	0.00
Communication/Transportation	1201430	P739433	219 530.89	215 303.70	4 227.19
Electricity	700824	U724641	339 592.71	339 592.71	0.00
Electricity	801150	M728133	12 583.88	3 306.00	9 277.88
Food	1200278	P738491	371 859.68	81 025.66	290 834.02
Food	1300553	B751627	98 381.17	98 381.17	0.00

Sector	Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Food Handling	1101233	V751706	222 563.44	222 393.41	170.03
Food Handling	1101881	V751733	962 876.38	19 212.20	943 664.18
Health	801381	M728717	7 458.88	7 458.88	0.00
Health	1200288	P750602	18 252.55	18 252.55	0.00
Housing	1100016	V733855	113 726.49	21 676.49	92 050.00
Oil Spares	731018	U737630	304 432.81	304 432.81	0.00
Oil Spares	830307	M728505	15 346.94	15 346.94	0.00
Oil Spares	830694	M737946	1 400 567.70	116 922.81	1 283 644.89
Oil Spares	830799	C732826	104 227.41	16 763.85	87 463.56
Oil Spares	1030349	T735766	5 302 205.79	42 114.18	5 260 091.60
Oil Spares	1030441	T751294	520 888.41	708.45	520 179.96
Oil Spares	1230061	P738957	16 020.52	16 020.52	0.00
Oil Spares	1230165	P750440	106 374.64	106 374.64	0.00
Oil Spares	1230276	P751455	5 503.12	5 503.12	0.00
Oil Spares	1230417	P751267	84 675.52	2 186.59	82 488.94
Oil Spares	1230448	P739150	1 786 997.08	1 212 253.64	574 743.44
Oil Spares	1230554	P750081	38 980.41	38 980.41	0.00
Oil Spares	1230556	P751484	4 373.18	4 373.18	0.00
Oil Spares	1230558	P750349	7 014.72	7 014.72	0.00
Oil Spares	1230615	P750175	12 185.42	9 528.27	2 657.16
Water & Sanitation	901392	L751798	16 818.80	10 296.44	6 522.36
Water & Sanitation	1300129	B750354	1 117 824.10	50 897.84	1 066 926.25
Subtotal (no documents pending)		**32 LCs**	**17 035 352.46**	**3 050 329.52**	**13 985 022.94**
Total		**57 LCs**	**183 678 039.24**	**3 050 329.52**	**180 627 709.72**

Annex V

Paid or to be paid in 2008

Sector		Comm No	Letter of Credit	LC Value Equivalent US$	Pending Documents at BNP	Balance US$
Agriculture	*	802679	C731210	988 137.89	0.00	988 137.89
Education	*	600882	Z718687	900 547.82	0.00	900 547.82
Food Handling	*	1000623	T732881	68 845.35	0.00	68 845.35
Oil Spares		1230255	P738650	406 985.74	0.00	406 985.74
Water & Sanitation		1200401	P750513	353 648.72	0.00	353 648.72
Subtotal (no documents pending)			**5 LCs**	**2 718 165.52**	**0.00**	**2 718 165.52**
Agriculture	*	601909	Z727261	796 254.00	765 856.00	30 398.00
Agriculture	*	800784	C727209	680 270.52	680 270.52	0.00
Agriculture	*	901306	L731155	1 445 150.80	1 445 150.80	0.00
Agriculture	*	1100171	V751200	81 124.20	81 124.20	0.00
Agriculture	*	1200538	P751207	47 039.27	47 039.27	0.00
Communication/Transportation		601309	Z730434	427 428.62	0.00	427 428.62
Education	*	601441	Z719977	1 411 090.91	1 363 600.00	47 490.91
Food	*	900045	L726681	1 730 889.80	1 730 889.80	0.00
Food	*	1100100	V734670	10 940 941.18	10 940 941.18	0.00
Food Handling	*	1001636	T736742	253 909.40	159 612.39	94 297.01
Housing		702787	U732869	2 097 351.55	2 097 351.55	0.00
Housing		800975	C725998	1 709 990.74	1 709 297.77	692.97
Housing	*	802945	C736601	162 618.95	9 617.42	153 001.53
Housing	*	900032	L728872	6 696 764.39	6 696 764.07	0.32
Housing		1000299	T732141	23 618.63	21 601.47	2 017.16
Housing		1101152	V737364	2 979 296.63	2 979 296.63	0.00
Subtotal (no documents pending)			16 LCs	31 483 739.59	30 728 413.07	755 326.52
Total			**21 LCs**	**34 201 905.11**	**30 728 413.07**	**3 473 492.04**

* Please refer to the letters of the President of the Security Council dated 8 November 2007 addressed to the Permanent Representative of Iraq to the United Nations and the Secretary-General.